



OFFICE OF THE
STATE AUDITOR

News Release

For Immediate Release

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Office of the State Auditor Completes FY 2020 Federal Funds Compliance Audit

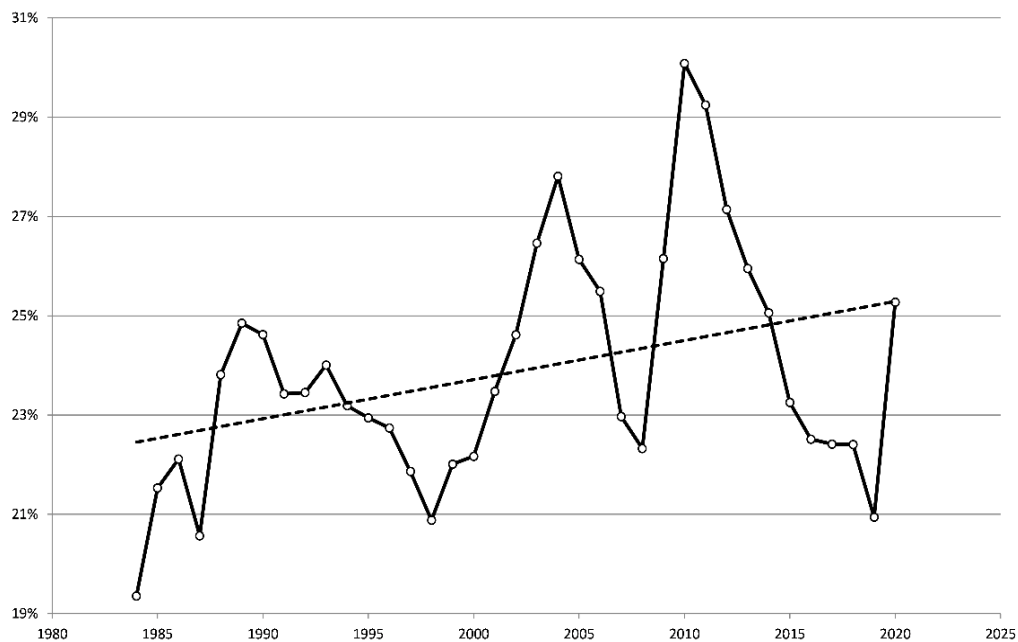
\$6.740 Billion in Federal Funds Expended During Fiscal Year 2020

Salt Lake City, UTAH –

The Office of the State Auditor (Office) today released its *Single Audit Report* of the 2020 expenditures of federal funds by the State of Utah (State). The report documents the State's compliance with federal regulations governing the use of federal funds. The \$6.740 billion in federal funds spent in fiscal year 2020 represents 25.3% of the State's total fiscal year 2020 expenditures of \$26.625 billion. Federal funds are a major source of funding for the State of Utah and increased significantly during fiscal year 2020 as a result of COVID-19 pandemic relief money sent through multiple programs, the single largest of which was the Unemployment Compensation program.

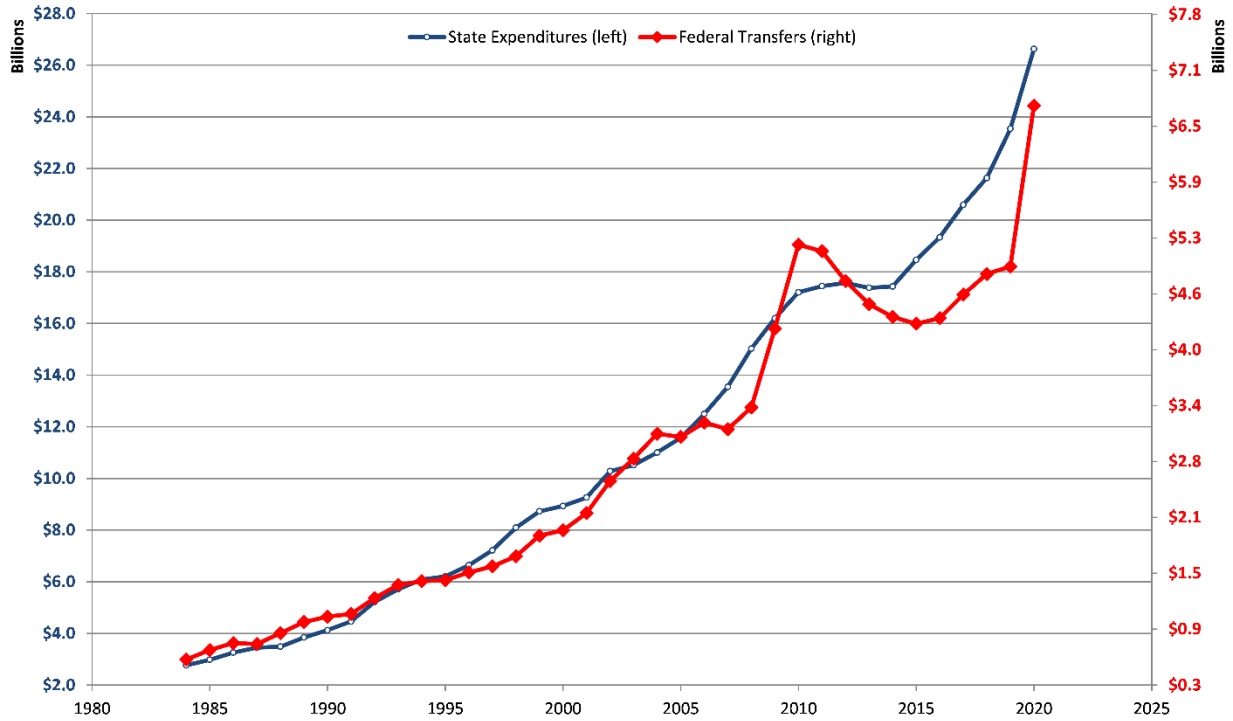
The Office has distilled the spending information into two simple charts. The first graph shows the historical percentage of Utah expenditures from federal transfers.

Percent of State of Utah Expenditures from Federal Transfers



April 2021, Source: The Office of the Utah State Auditor - Utah Single Audit Reports, State of Utah - Comprehensive Annual Financial Reports
State of Utah Expenditures include appropriated and non-appropriated funds, all Governmental, Business-type and Component Unit Activity (eg, Universities)

State of Utah Expenditures and Federal Transfers



April 2021, Source: The Office of the Utah State Auditor - Utah Single Audit Reports, State of Utah - Comprehensive Annual Financial Reports
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The second graph illustrates the historical growth of total state expenditures and of federal transfers. State expenditures are shown in blue on the left axis of the graph in billions of dollars, and federal transfers received by the State are shown in red on the right axis.

State Auditor John Dougall noted that, “While Utah’s annual federal funds compliance audit is typically completed no later than December of each year, excessive delays by the federal government impacted this year’s reporting. Federal guidance for auditing CARES Act money was not issued until late December 2020, more than nine months after that program started and after the Office typically completes this audit work. We appreciate the assistance of the various state agencies that, despite managing the ongoing influx of federal pandemic money, supported the completion of this audit as quickly as possible after the guidance was issued.”

State Auditor John Dougall also noted, “The magnitude of the ongoing federal subsidy is troubling, due to Congress’ complete disregard for any sense of fiscal responsibility, the increasing dependence of state and local governments on federal subsidies, and the heightened economic and inflationary reactions from the magnitude of irresponsible federal spending. We anticipate the State will continue to experience increased dependency on federal money over the next five to 10 years as federal stimulus money continues to be sent to the State for multiple programs. I urge caution as state leaders navigate the challenges that come with increased demands for ongoing spending built on one-time money.”

The 2020 Federal Funds Compliance Audit (Single Audit) report may be found on the Office's website, auditor.utah.gov, and specifically at <https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K0000042qBBOAY> .

The graphs may be found on the [Data and Statistics](#) page at https://auditor.utah.gov/audit_reports/data-and-statistics/ , or directly at <https://auditor.utah.gov/wp-content/uploads/sites/6/2021/06/Historical-Expenditures-PDF-2020.21JUN.pdf> .

About the Office of the State Auditor

The Office of the State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

Specific activities of the Office include performing financial audits, conducting federal funds compliance audits, providing local government oversight, conducting agency and program performance audits, performing fraud and compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah's government agencies.

The Office also provides interactive graphical tools to help taxpayers and policymakers gain greater insight into governmental financial activities.

The State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state's citizens every 4 years. The role of the Utah State Auditor is authorized in Article VII, Section 15 of the Utah Constitution. For more information, see auditor.utah.gov.

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